



Cabinet Office

CARBON REDUCTION PLAN GUIDANCE

Notes for Completion

Where an In-Scope Organisation has determined that the measure applies to the procurement, suppliers wishing to bid for that contract are required at the selection stage to submit a Carbon Reduction Plan which details their organisational carbon footprint and confirms their commitment to achieving Net Zero by 2050.

Carbon Reduction Plans (CRP) are to be completed by the bidding supplier¹ and must meet the reporting requirements set out in supporting guidance and include the supplier's current carbon footprint and its commitment to reducing emissions to achieve Net Zero emissions by 2050.

The CRP should be specific to the bidding entity, or, provided certain criteria are met, may cover the bidding entity and its parent organisation. In order to ensure the CRP remains relevant, a Carbon Reduction Plan covering the bidding entity, and its parent organisation is only permissible where the detailed requirements of the CRP are met in full, as set out in the Technical Standard² and Guidance³, and all of the following criteria are met:

- The bidding entity is wholly owned by the parent;
- The commitment to achieving net zero by 2050 for UK operations is set out in the CRP for the parent and is supported and adopted by the bidding entity, demonstrated by the inclusion in the CRP of a statement that this will apply to the bidding entity;
- The environmental measures set out are stated to be able to be applied by the bidding entity when performing the relevant contract; and
- The CRP is published on the bidding entity's website.

Bidding entities must take steps to ensure they have their own CRP as soon as reasonably practicable and should note that the ability to rely on a parent organisation's Carbon Reduction Plan may only be a temporary measure under this selection criterion.

The Carbon Reduction Plan should be updated regularly (at least annually) and published and clearly signposted on the supplier's UK website. It should be approved by a director (or equivalent senior leadership) within the supplier's organisation to demonstrate a clear commitment to emissions reduction at the highest level. Suppliers may wish to adopt the key objectives of the Carbon Reduction Plan within their strategic plans.

A template for the Carbon Reduction Plan is set out below. Please complete and publish your Carbon Reduction Plan in accordance with the reporting standard published alongside this PPN.

¹Bidding supplier or 'bidding entity' means the organisation with whom the contracting authority will enter into a contract if it is successful.

²Technical Standard can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991625/PPN_0621_Technical_standard_for_the_Completion_of_Carbon_Reduction_Plans__2_.pdf

³Guidance can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991623/Guidance_on_adopting_and_applying_PPN_06_21___Selection_Criteria__3_.pdf

Carbon Reduction Plan Template

Supplier name: ...Pegasystems Limited.....

Publication date:8/13/2024.....

Commitment to achieving Net Zero

Pegasystems Inc. is committed to achieving Net Zero emissions across Scopes 1, 2, and 3 by 2040, which has been approved by the Science Based Targets initiative.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

[Instructions to Suppliers:

Please provide details of your organisation’s baseline emissions below. If your organisation has not previously assessed or reported emissions, please detail this below and use your first reporting period as your Baseline.]

Baseline Year: 2019	
Additional Details relating to the Baseline Emissions calculations.	
<i>These are the original baseline calculations. No modifications have been made to the base year calculations for our original SBTI submission.</i>	
Baseline year emissions:	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	52.42
Scope 2	47.03
Scope 3	43423 * (Is derived for entire Pegasystems Inc.)
Total Emissions	43,522.48

Current Emissions Reporting

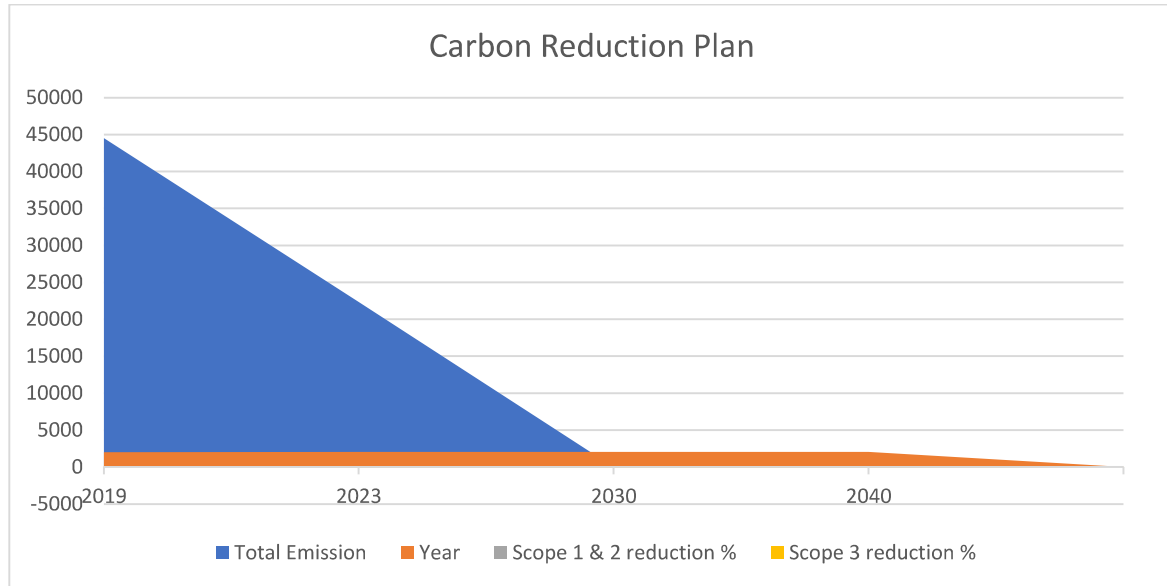
Reporting Year: 2023	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	44.57
Scope 2	38
Scope 3 (Included Sources)	22295 *(Is derived for entire Pegasystems Inc.)
Total Emissions	22,377.57

Emissions reduction targets

Our Approved SBTI Targets are as follows:

- 99.1% reduction in Scope 1&2 from 2019-2030 (near term SBT)
- Maintain 100% renewable electricity through 2030 (near term SBT)
- 27.5% reduction in Purchased Goods & Services, Capital Goods, and Business Travel from 2019 to 2030 (near term SBT)
- 90.9% reduction in overall Scope 1-3 from 2019 to 2040 (long term SBT)
- 99.1% reduction in Scope 1&2 from 2019 to 2040 (long term SBT)

Progress against these targets can be seen in the graph below:



Carbon Reduction Projects

Completed Carbon Reduction Initiatives Pegasystems has reduced its total Scope 1-3 emissions 26017 MTCO2e from our 2019 baseline through 2023, a 54% reduction. The following environmental management measures and projects have been completed or implemented since the 2019 baseline, and the measures will be in effect when performing the contract:

- Pega has completed and gotten approval for its near-term and Net-Zero carbon reduction goals from the SBTi.
- We report our progress annually to the CDP and Ecovadis.
- We have completed multiple Materiality assessments to determine the most important sustainability initiatives for our key stakeholders.
- We have mapped out our supply chain emissions and are developing a supplier engagement program to address our largest source of Scope 3 emissions.
- We are evaluating our business travel policies and practices to minimize these Scope 3 emissions.
- We procure energy attribute certificates (EACs) annually to eliminate all global scope 2 emissions.
- Some offices also already procure renewable electricity, and we are evaluating other opportunities for more impactful procurements.
- We pursue energy efficiency measures to minimize our Scope 1 and 2 emissions
- We are also optimizing our real estate globally to ensure we have the proper and most efficient portfolio.

In the future we hope to implement further measures such as:

- Iterate and implement our roadmap through 2040 to achieve our SBTi targets.
- Implement software to track and report progress against targets.
- Implement CSRD reporting into our yearly statutory reporting calendar.

Declaration and Sign Off

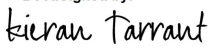
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard⁴ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting⁵.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard⁶.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:

DocuSigned by:
 Kieran Tarrant
.....BDF5A5F32261345D.....

22 August 2024

Date:

⁴<https://ghgprotocol.org/corporate-standard>

⁵<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

⁶<https://ghgprotocol.org/standards/scope-3-standard>